

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2043-03
Bill No.: Perfected HCS for HB 859
Subject: Firearms and Fireworks; Licenses - Miscellaneous; Law Enforcement Officers and Agencies; Licenses - Driver's
Type: Original
Date: April 24, 2013

Bill Summary: This proposal allows for conversion of concealed carry endorsements to concealed carry permits, eliminates concealed carry endorsements and replaces them with concealed carry permits.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
General Revenue	(\$108,975)	(\$44,528)	(\$44,528)
Total Estimated Net Effect on General Revenue Fund	(\$108,975)	(\$44,528)	(\$44,528)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Criminal Records	(\$150,000)	(\$10,250)	(\$10,506)
Total Estimated Net Effect on <u>Other</u> State Funds	(\$150,000)	(\$10,250)	(\$10,506)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 13 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on FTE	0	0	0

☒ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☒ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Local Government	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety - Missouri Highway Patrol (MHP)** state currently, concealed carry weapon information is maintained by the Department of Revenue. The Missouri Uniform Law Enforcement System (MULES) is only a pass-through for the information. A database file would have to be developed by the Highway Patrol and the vendor, CPI, to be able to store the information in MULES and have it readily available upon request from law enforcement. This database would have to maintain information that shows compliance and also allow the sheriff's department to make status changes. The following is a breakdown of the changes and the resulting cost for the Patrol:

\$10,000 - Discovery and Design
\$75,000 - Database Modifications and Reporting
\$25,000 - Message Switch Modifications
\$15,000 - Testing
\$25,000 - Project Management
\$150,000 - Total

The total cost to the Patrol's Criminal Records Fund is \$150,000 (\$10,000 + \$75,000 + \$25,000 + \$15,000 + \$25,000). There will be an annual maintenance cost of approximately \$7,500 for the database modifications and reporting and \$2,500 for the message switch modifications.

Officials from the **Office of the State Courts Administrator (CTS)** state the proposed legislation allows for conversion of concealed carry endorsements to concealed carry permits, eliminates concealed carry endorsements and replaces them with concealed carry permits.

There may be some, unquantifiable at this time, impact, in section 571.190 and 571.192. There could be a possible increase in criminal prosecutions for violations of the law, and an increase in small claims cases. We would not anticipate the increased volume of cases to significantly increase the workload of the state courts.

Officials from the **Department of Revenue (DOR)** state the proposal would require roughly **\$52,618** in programming expense in FY 2014.

DOR also estimates a potential loss of General Revenue collections due to the decrease in applicants for new, duplicate or renewal documents to add or retain a Concealed Carry Weapon (CCW) endorsement. It is assumed the majority of applicants would not apply for, or renew, the

ASSUMPTION (continued)

nondriver if the CCW endorsement was no longer a requirement since many applicants obtained the nondriver for CCW endorsement purposes only.

178,854 Total CCW holders on file as of 3/21/2013.

X 97% Percentage of CCW endorsement holders with an NDL versus a driver license.

159,933 are the estimated number applicants with an NDL assumed to be for CCW endorsement purposes.

173,488/3 years = 57,829 estimated annual applicants for CCW endorsement on NDL.

57,829

x \$3 Fee for new or renewal nondriver with CCW.

\$173,487/12 = 14,457 x 10 months = **\$144,570** estimated annual loss of General Revenue due to estimated reduction in NDL transactions from elimination of CCW endorsement for FY 14.

\$173,487 estimated annual loss of General Revenue due to estimated reduction in NDL transactions from elimination of CCW endorsement for FY15, FY 16 and beyond.

Cost Avoidance (Savings)

57,829 - Estimated annual applicants for CCW endorsement on NDL.

x \$2.23 - Vendor cost per printed card.

\$128,959/12 = \$10,746 x 10 months = **\$107,465** FY 14 cost avoidance calculated for 10 months.

\$128,959 is the estimated cost avoidance from no longer printing NDL with CCW endorsements in FY15 and FY16 and beyond.

DOR assumed a total of \$71,870 in programming expenses in FY 2014 to implement the changes in this proposal.

DOR also assumed a loss of fee income to the license offices if NDLs are no longer issued for the purpose of having a concealed carry endorsement. DOR assumed a loss to the fee offices of \$146,808 each year from not collecting the \$2.50 processing fee.

DOR also assumed a loss of Highway funds (and cities and counties) of roughly \$6,000, from the reduction in issuance of drivers' licenses with a CCW endorsement. **Oversight** assumes this proposal would not materially impact the number of drivers' licenses issued.

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ASSUMPTION (continued)

Officials from the **Department of Corrections (DOC)** state penalty provisions for violations, the component of the bill to have potential fiscal impact for DOC, is for a class A misdemeanor. Currently, the DOC cannot predict the number of new commitments which may result from the creation of the offense(s) outlined in this proposal. An increase in commitments depends on the utilization by prosecutors and the actual sentences imposed by the court.

If additional persons are sentenced to the custody of the DOC due to the provisions of this legislation, the DOC will incur a corresponding increase in operational cost through supervision provided by the Board of Probation and Parole (FY12 average of \$4.960 per offender, per day, or an annual cost of \$1,810 per offender).

In summary, supervision by the DOC through probation would result in some additional costs, but it is assumed the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

Officials from the **Office of the State Public Defender** assume the proposal would not fiscally impact their agency.

In response to a previous version of the proposal, officials from the **Office of Prosecution Services** assumed the proposal would not fiscally impact their agency.

No sheriff's departments responded to **Oversight's** request for fiscal impact. Oversight notes that section 571.182 allows sheriffs to charge the following fees:

\$100 for processing an application (571.182.10)
\$ 10 for processing a renewal (571.182.11) and
\$ 10 for processing a conversion (571.182.10)

Deleted section 571.101 provided for the following fees:
\$100 for processing an application (571.101.10); and
\$ 50 for processing a renewal (571.101.11)

Proceeds collected from these fees are to be deposited into the county sheriff's revolving funds.

Subsection 571.180.2 states that after January 1, 2014 and prior to its expiration, any person who has a valid certificate of qualification for a concealed carry endorsement or a valid concealed carry endorsement may present their certificate of qualification for a concealed carry

ASSUMPTION (continued)

endorsement to their sheriff to have it converted to a concealed carry permit. Oversight will assume this will create some additional work for sheriffs; however, sheriffs are allowed to charge \$10 for processing this conversion. Oversight will assume this fee will cover any additional expenses incurred by the sheriffs.

Oversight will assume the reduction from the current \$50 renewal fee to the new \$10 renewal fee will result in an unknown loss of revenue to counties.

House Amendment 1 - school protection officers:

In response to a similar proposal from this year (HB 276), **Oversight** received the following responses:

According to officials from the **Department of Elementary and Secondary Education**, there is no anticipated state cost to the foundation formula associated with this proposal. To the extent fine revenues exceed 2004-2005 collections, any increase in this money distributed to school districts increases the deduction in the foundation formula the following year. Therefore the affected districts will see an equal decrease in the amount of funding received through the formula the following year; unless the affected districts are hold-harmless, in which case the districts will not see a decrease in the amount of funding received through the formula (any increase in fine money distributed to the hold-harmless districts will simply be additional money). An increase in the deduction (all other factors remaining constant) reduces the cost to the state of funding the formula.

Officials from the **Department of Corrections (DOC)** state the penalty provisions for violations, the component of the proposed legislation to have potential fiscal impact for DOC, is for a class A misdemeanor. Currently, the DOC cannot predict the number of new commitments which may result from the creation of the offense(s) outlined in this proposal. An increase in commitments depends on the utilization by prosecutors and the actual sentences imposed by the court.

If additional persons are sentenced to the custody of the DOC due to the provisions of this legislation, the DOC will incur a corresponding increase in operational cost through supervision provided by the Board of Probation and Parole (FY12 average of \$4.96 per offender, per day or an annual cost of \$1,810 per offender).

In summary, supervision by the DOC through probation would result in some additional costs, but it is assumed the impact would be \$0 or a minimal amount that could be absorbed within

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ASSUMPTION (continued)

existing resources.

Officials from the **Office of State Courts Administrator, Department of Public Safety - Missouri State Highway Patrol, Office of State Public Defender, Parkway School District, Jefferson City Police Department, Springfield Police Department, and the Boone County Sheriff's Department** each assume the proposal would not fiscally impact their respective agencies.

Officials from the **Office of Prosecution Services** did not respond to a request for fiscal impact.

House Amendment 2 - Department of Revenue must surrender all non-used identification processing equipment to the Missouri Highway Patrol for disbursement to sheriffs:

Officials from the **Department of Revenue** states this change requires their agency to surrender all state-owned identification processing equipment, including electronics, copies, printers, computers, monitors, and cameras that it no longer uses to the Missouri State Highway Patrol (MSHP). The MSHP is to disburse the equipment to any county sheriff as deemed necessary. The sheriff may dispose of the equipment and distribute any processed from the disposal to the County Sheriff's Revolving Fund established in Section 50.535, RSMo.

Computers used in license offices prior to switching to central issuance were owned by L-1 (presently MorphoTrust) and not state owned. The small amount of equipment (25 laptops and cameras) owned by the Department prior to Central Issue was and is being used solely within the Department of Corrections for the re-entry program. Once the Department of Corrections purchases new equipment, the current equipment has been used as credit and will be property of the vendor.

Officials from the **Department of Public Safety - Missouri Highway Patrol** assume the amendment would not fiscally impact their agency.

House Amendment 3 - No state agency shall disclose to the federal government the statewide list of conceal carry holders:

DOR assumes this amendment would not fiscally impact their agency.

Officials from the **Department of Public Safety - Missouri Highway Patrol** assume the amendment would not fiscally impact their agency.

ASSUMPTION (continued)

House Amendment 4 - Unlawful use of a firearm:

In response to a similar proposal from this year (HB 276), **Oversight** received the following responses:

Officials from the **Office of the State Courts Administrator** and **Department of Public Safety - Missouri Highway Patrol** each assume the proposal would not fiscally impact their respective agencies.

For the purpose of this proposed legislation, officials at the **Office of State Public Defender (SPD)** cannot assume that existing staff will provide effective representation for any new cases arising where indigent persons are charged with the enhanced penalties for unlawful possession or use of a firearm during the commission of a felony when prior felony offenders possess or use a firearm during a subsequent felony offense.

If this legislation passes, it will have a huge impact on our clients in terms of years in prison and on the Department of Correction. Under our current protocol we weight all non-sex, non-homicide the felonies the same, no matter the degree and no matter the number of counts, then under our protocol there would be no measurable fiscal impact, though certainly it would cause some additional work by our attorneys since in general the more serious the punishment the more work it takes to resolve a case, both in terms of investigation, trial, and sentencing.

Therefore, the State Public Defender would calculate little or no fiscal impact, except for those few jurisdictions that might charge this as an additional case rather than an additional count

While the number of new cases (or cases with increased penalties) may be too few or uncertain to request additional funding for this specific bill, the SPD will continue to request sufficient appropriations to provide effective representation in all cases.

Oversight assumes the SPD can absorb the additional caseload that may result from this proposal.

Officials from the **Department of Corrections (DOC)** state the penalty provision component of this bill resulting in potential fiscal impact for DOC, is for unclassified felonies punishable by up to life imprisonment. Currently, the DOC cannot predict the number of new commitments which may result from the creation of the offense(s) outlined in this proposal. An increase in commitments depends on the utilization by prosecutors and the actual sentences imposed by the

ASSUMPTION (continued)

court.

If additional persons are sentenced to the custody of the DOC due to the provisions of this legislation, the DOC will incur a corresponding increase in direct offender cost either through incarceration (FY12 average of \$17.059 per offender, per day, or an annual cost of \$6,227 per inmate) or through supervision provided by the Board of Probation and Parole (FY12 average of \$4.960 per offender, per day, or an annual cost of \$1,810 per offender).

In summary, supervision by the DOC through probation or incarceration would result in additional unknown costs to the department. Seventeen (17) persons would have to be incarcerated per each fiscal year to exceed \$100,000 annually. Due to the narrow scope of this new crime, it is assumed the impact would be less than \$100,000 per year for the DOC.

House Amendment 5 - Removal of renewal of concealed carry endorsements:

Oversight received the following responses to a similar proposal from this year (HB 872).

Officials from the **Boone County Sheriff's Department** assume they would incur a substantial loss of revenue. The numbers of peoples obtaining concealed carry permits have increased significantly over recent years. Coinciding with that is an increase in renewed permits each year. For the past four years, renewals generated the following amount of revenue in Boone County: \$4,300 in 2009, \$14,250 in 2010, \$26,350 in 2011, and \$32,600 in 2012.

Officials from the following jurisdictions did not respond to our request for fiscal impact: Buchanan County, Clark County, Platte County, and St. Louis Metropolitan Police Department.

This amendment seems to be in conflict with Section 571.182.11 in which sheriffs are allowed to charge \$10 for a permit renewal. Therefore, Oversight will assume this amendment would not have a fiscal impact on sheriffs.

House Amendment 6 - Owner of business shall not restrict person from lawfully possessing a firearm in a motor vehicle;

Oversight assumes this amendment would not fiscally impact the state.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
GENERAL REVENUE			
<u>Savings</u> - Department of Revenue			
From reduced number of NDL printed - savings of \$2.23 each	\$107,465	\$128,959	\$128,959
<u>Cost</u> - Department of Revenue			
Programming expense	(\$71,870)	\$0	\$0
<u>Costs</u> - Department of Corrections			
Increased supervision / incarceration expenses (HA 4)	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
<u>Loss</u> - Department of Revenue			
Reduction in NDL transactions from elimination of CCW endorsement	<u>(\$144,570)</u>	<u>(\$173,487)</u>	<u>(\$173,487)</u>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>(\$108,975)</u>	<u>(\$44,528)</u>	<u>(\$44,528)</u>
CRIMINAL RECORDS FUND			
<u>Costs</u> - Missouri Highway Patrol			
Programming expense	<u>(\$150,000)</u>	<u>(\$10,250)</u>	<u>(\$10,506)</u>
ESTIMATED NET EFFECT TO THE CRIMINAL RECORDS FUND	<u>(\$150,000)</u>	<u>(\$10,250)</u>	<u>(\$10,506)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
COUNTIES			
<u>Income</u> - Sheriffs' Revolving Fund \$10 conversion fee allowed in §571.182.10	Unknown	\$0	\$0
<u>Loss</u> - Sheriff's Revolving Fund - renewal fee is \$50 under existing language; however it is reduced to \$10 under this substitute	(Unknown)	(Unknown)	(Unknown)
<u>Costs</u> - Sheriffs for conversion to concealed carry permits	(Unknown)	\$0	\$0
ESTIMATED NET EFFECT TO COUNTIES	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

FISCAL IMPACT - Small Business

Fee offices which are small businesses could be affected by this proposal.

FISCAL DESCRIPTION

After January 1, 2014 and before it expires, any person who has a valid certificate of qualification for a concealed carry endorsement or a valid concealed carry endorsement may present it or his or her driver's or nondriver's license with an endorsement to the county sheriff where he or she resides to have it converted to a concealed carry permit. Beginning January 1, 2014, a sheriff cannot accept an application for or renew a certificate of qualification for a concealed carry endorsement and the Department of Revenue cannot accept an application for or issue or renew a driver's or nondriver's license with a concealed carry endorsement.

If an applicant for a concealed carry permit satisfies all the specified requirements, including an application using the approved form, training, and background check, the sheriff must issue a concealed carry permit. Any person who has been issued a concealed carry permit and it has not been suspended, revoked, canceled, or denied may carry concealed firearms on or about his or

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FISCAL DESCRIPTION (continued)

her person or within a vehicle. The permit will be valid for three years and is valid throughout the state.

Any person issued a concealed carry permit must carry the permit at all times he or she is carrying a concealed firearm and must display the permit upon the request of any peace officer. Failure to comply with this provision will not be a criminal offense, but the permit holder may be issued a citation for an amount of up to \$35.

HA 4 - specifies that a person who is found guilty or pleads guilty or nolo contendere to a prior felony offense and who commits a subsequent felony offense in which the person possesses, displays, brandishes, threatens to use, attempts to use, or discharges any firearm will be guilty of the offense of unlawful possession or use of a firearm during the commission of a felony. The offense will be in addition to and not in lieu of any underlying felony offense or other offense for which the person may be charged. The bill specifies that a person who commits the offense by possessing a firearm during the commission of a felony will be subject to 10 years imprisonment; by displaying, brandishing, threatening to use, or attempting to use a firearm during the commission of a felony will be subject to 20 years imprisonment; and by discharging a firearm during the commission of a felony will be subject to a term of life imprisonment. The terms of imprisonment must be imposed consecutively to any other terms of imprisonment imposed for any other felony offense.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Public Safety
Department of Revenue
Office of the State Courts Administrator
Office of Prosecution Services
Office of the State Public Defender
Department of Corrections



Ross Strope

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